

INTERNATIONAL CITY MANAGERS' ASSOCIATION

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PERFORMANCE STANDARDS FOR CITY EMPLOYEES

What are performance standards? How can they best be developed and used in local government? In what way do such standards tie in with other management techniques? What are the limitations on the use of performance standards?

A recent study of 12 selected companies employing between 300 and 2,500 people reveals that if the average employee were working at a pace which might reasonably be considered a fair day's work he would increase his output by 25 to 100 per cent of production, according to Stanley Battles in an article on "Work Measurement" in the Monthly Bulletin for February, 1953, issued by the Office Management Association of Chicago.

If this condition exists in private industry -- and apparently it does -- it is reasonable to assume that a similar condition exists in city governments. That being the case, who is at fault? Is it the municipal employee? At times, perhaps yes. But if city managers, department heads, and supervisors will be honest with themselves the truth is that in most cases it is management's fault. Why? -- Because management doesn't really know what it expects in the way of performance. And of equal importance, employees do not know what is expected of them.

For example: How many miles of streets should a street sweeping crew cover during a shift? How many cubic yards of garbage should a crew be expected to pick up? How many meters should a meter reader be able to read and what is an allowable margin for error in recording his readings? How many routine inspections should a building or plumbing inspector make each day? How many bills should a billing machine operator prepare in an hour? Similar questions suggesting standards or performance for the basic unit producing city services -- the crew or the worker -- can be listed almost endlessly.

If such questions suggest that performance standards are a logical approach to improving employee output and production, how then can the practicing administrator make use of them? How are performance standards developed? What specific uses can be made of them? What are their limitations? How are they installed? How do they tie in with other management tools? What information can they give the administrator that he can not obtain elsewhere?

What Are Performance Standards?

Performance standards are written statements of what an individual, crew, or team carrying out specific tasks, under normal conditions, is supposed to do in order that management and the workers will consider the performance to be adequate. They are measures that tell what constitutes satisfactory performance, not perfect performance of the tasks of a specific job. They are based on the simple but so true thesis that if an employee is to do his best he is entitled to know and must know what constitutes a job done satisfactorily. Standards are but yardsticks for measuring performance. Each employee should know the answer to three questions:

What is my work?

How well am I expected to do my work?

How well am I measuring up to the standards for my job?

Performance standards will answer the first two questions, while the performance rating or review will answer the third.

There is nothing essentially new about performance standards. Whether he realizes it or not every supervisor has a standard in mind for each task. He applies it without conscious recognition of it. Otherwise, he cannot know when work is done well or poorly, and he cannot know when to correct or reward his employees. And unless he makes it known to them, his employees can only meet the standard by guess work.

Simply stated, performance standards tell an employee how many (quantity), how well (quality), how soon (time), and in what manner he should perform each of his work assignments to do an acceptable job. A standard of performance must contain language that enables the supervisor to evaluate the employee's performance, to judge whether it is being done satisfactorily. Some of the characteristics of these four kinds of standards are:

Quantity (how many?) This type of standard should be used wherever work output can be measured in units of production. Quantity standards are the most specific and therefore the least likely to be misunderstood. They are usually expressed as a requirement of so many units in a definite period of time. There are few positions for which a single quantity will be adequate. In most instances both the lower and upper limits of adequate performance should be stated. For example:

<u>Task</u>	<u>Performance Standard</u>
Reads water meters	Reads water meters at the rate of 200 to 225 per day.
Sweeps Streets	Crew covers from 35 to 40 miles per night with sweeper.

Quality (how well?) Quality standards are usually expressed in terms of accuracy, appearance of work, or the ultimate effect obtained. The question -- how well must the work be done? -- implies a quality standard and there are few assignments that do not require such standards. For example:

<u>Task</u>	<u>Performance Standard</u>
Files tax cards	Files tax cards so that there are not more than one or two filing errors in 2,000 pieces.
Takes fingerprints	Takes fingerprints in such a manner that only one or two sets out of 600 cannot be classified.

Task (continued)

Takes and transcribes dictation involving memoranda, reports, and letters

Performance Standard (continued)

Transcribed work is accurate, neatly spaced on pages; words correctly spelled, punctuation and grammar according to good English practices.

Typing is neatly aligned, free of obvious erasures, and correct number of copies always is provided as indicated.

Time (how soon?) When certain tasks have to be completed within a specified period of time and quantity cannot be measured, time limits can be set as a definite requirement of satisfactory work. Time standards should be used with caution where the volume of work tends to fluctuate widely. For example:

Task

Installs traffic signs

Performance Standard

All traffic signs are installed within three to five days after they are authorized.

Prepares departmental monthly activity report

All data are obtained and each monthly report is completed by the fourth work day of the following month.

Manner. Whether or not an assignment is being properly performed can often be a useful measure of employee performance. Does the finished product measure up to a standard of appearance? Does the employee have important personal contacts that require a standard of personal appearance or conduct? For example:

Task

Types lists of checks

Performance Standard

Lists have no smudges, noticeable erasures, uneven margins, and errors. Not more than three to five pages in 100 have to be re-typed because of appearance.

Inspects commercial property for fire hazards

Deals diplomatically with individuals contacted. Rarely are justifiable complaints received by supervisor.

Maintains typewriter in working order

Typewriter and type face are always in working order to produce clean copy. Cover is on machine when not in use and needed repairs are reported promptly.

Answers telephone and receives visitors

Answers telephone pleasantly and courteously, modulates voice so as not to bother others in the office.

In most instances, in order to evaluate satisfactory performance more than one standard is required. When a quantity standard is used it should, for example, be used along with an accuracy standard. Perhaps the best way of developing standards for each assignment is to systematically consider each type of standard and include all that are appropriate. In developing standards for checking parking meter violations, for example, the number of meters per block (diagonal or parallel parking), motorized or foot patrol, and other duties on that beat must be considered for the police patrolman. The standards are easier to determine if parking meters are checked by part-time civilian employees. There is no formula for determining the number of standards to be used in describing satisfactory performance for any assignment. Each assignment has to be treated individually.

Development of Performance Standards

The impetus for the development of performance standards must come from the top. First the city manager, if the program is to include all departments, or the department head, if the program is of departmental scope, must do his part, and his part is to "put performance standards on the map."

To do this the administrator must first sell the idea to his supervisory personnel. The undertaking must be spelled out and the objectives of performance standards as a tool of supervision explained. Further, the supervisors must be trained in the employment of standards. In the smaller city or department this will be the task of the city manager or department head. In larger jurisdictions assistance may be available from the personnel or budget offices.

After supervisors have been schooled in the objectives and processes involved each must then identify the producing units under his supervision. For the most part the producing unit will be the position, but in some instance it will be a crew or group of employees (i.e. garbage collection crew).

Next, the specific, permanent and significant tasks of the position or the crew should be listed. Too detailed statements of tasks should be avoided. Long or involved phrases should be avoided in favor of short phrases and words that convey definite meaning. At this point, the employee, who is most familiar with the position, can be of real assistance in outlining his tasks.

These lists of tasks should be prepared for every producing unit whether a position or a crew. A single list cannot be prepared for a broad class of positions. Identical tasks cannot be listed, for example, for all Senior Typists in the city because the specific duties of the positions in the class may vary considerably from position to position.

After the tasks have been spelled out a standard of performance must be applied to each one. To do this the supervisor must identify those elements which are indices of satisfactory or unsatisfactory performance. In other words he must arrive at answers to the questions how many?, how well?, how soon?, and in what manner?.

The supervisor can make use of existing records and reports plus the standards already in his mind. Precise arithmetical and statistical standards should not be attempted for all tasks or components of a given position, especially where rule-of-thumb measures can be used based on the employee's first-hand knowledge of the job. The rule of thumb, for example, can be used to decide the number of feet of four-inch waterpipe to be laid by a crew in one day.

The employee with his detailed knowledge of each task can provide supplementary information. By having the employee participate in the process, employee acceptance of the end product -- written standards -- is more likely to follow.

Writing Performance Standards. Perhaps the most onerous part of developing performance standards is setting it all down in writing. Some suggestions can be offered here for making the writing easier and for producing better and more realistic standards. These standards are adapted from the "Instructor's Manual for Management Development" by Theodore P. Morris, published by the Personnel Department of the City of Pasadena, California, in 1954, pp. 116-122.

1. Performance standards for a task should be set at what constitutes fully acceptable or satisfactory performance, not perfection.
2. Performance standards should be written on the specific, permanent, and significant tasks of the position. Temporary, unusual, and minor assignments should be eliminated.
3. Performance standards should be written for a specific position and not for all positions within a class or group of positions. Exceptions can be made only when several positions are actually identical in duties and working conditions.
4. Performance standards should be written through the joint efforts of supervisors and employees.
5. Use precise and generally understood words or phrases. Avoid vague terms like "reasonable", "seldom", and "sometimes."
6. Be cautious in the use of percentages. An accuracy of 90 per cent may sound very high, but it actually is ridiculously low when applied to routine filing or to the opening and sorting of mail.
7. Express standards where possible in terms of numbers of errors permitted rather than percentages. Standards expressed this way are more easily understood.
8. Avoid standards that require "always" or 100 per cent accurate performance. Perfect performance is not attainable in very many operations over any considerable period of time.
9. Standards usually should be expressed as a range from minimum to maximum rather than a specific point of performance. Fully satisfactory performance usually goes from a minimum below which the performance is short of standard to a maximum beyond which the performance is outstanding.
10. Be cautious in setting the performance standard at the level of the work done by the person currently holding the position. The standard will be out of line if the person in the job is doing an outstanding job or an inferior job.

The standards thus established should represent a level attainable by any competent employee. They should be reasonable and low enough for the satisfactory employee to reach. At the same time they should be set at a level that is exceedable except in unusual circumstances. No standard should require perfection; there must always be sufficient room for the employee or the crew to perform better than the standard requires. In other words the standards should be fair to the employee and to the city.

Initially standards should be applied on a trial basis so they can be tested against experience and revised if necessary. From then on they should be reviewed periodically, at least every six months has been suggested by some authorities. In addition to periodic reviews standards should always be reworked whenever the tasks assigned to the employee or crew are changed.

Inasmuch as the purpose of performance standards is to help supervisors do a better job, the process of checking performance against standards cannot be so unwieldy and involved as to hinder rather than to aid supervisors. Elaborate record systems, statements of accomplishment, and reporting systems should not be established for the sole purpose of measuring performance. Performance should be checked only to the extent necessary to exercise proper supervision over the work.

A list of possible checking methods for performance standards would include work reports submitted by supervisors; breakdown or damage to motor equipment because of an employee's negligence; errors noted by or called to the attention of the supervisor; spot checks and inspections of work made by the supervisor; justifiable complaints received; and continuous review of forms, reports, and other administrative records.

Kansas City, Missouri. The process followed in developing performance standards for janitors is described in an all-inclusive report on custodial services for the 29-floor city hall. The staff of the budget and research department developed time standards for cleaning offices and office equipment through the use of stop-watch time studies of janitors actually doing the work. They used a system of work units with 1,000 units equivalent to one hour's work for one man, and a definite number of units were assigned to each cleaning task. Dusting a file cabinet, for example, required 3 work units, emptying a wastebasket 5 units.

After units were assigned to all offices and equipment, the assignment of work became a problem of distributing the cleaning job among the men so that each was assigned approximately 7,500 units, the equivalent of 7 1-2 hours' work. The standards developed were, in effect, quantity standards that answered the question -- how many?

The report also suggested that the work of all employees working under the standards be inspected thoroughly and at frequent intervals in order to insure that quality of the work of the janitors did not deteriorate. Emphasis was placed on letting the janitors know that high quality was expected. In other words the second standard answered the question -- how well?

Milwaukee, Wisconsin. At one time consideration was given to placing water meter readers on a modified wage incentive plan. This was the outgrowth of a study of all practices and procedures basic to meter reading activities. Performance standards came into the picture as the basis for the wage incentive. A point rating system was suggested for the various tasks meter readers performed. A standard number of meters to be read each day was established and each meter reader was to receive plus or minus points depending on how his work compared with the standard. Additional points were to be awarded for such things as reporting nonregistering meters and unauthorized connections. Readers were to accumulate a specified number of points each month in order to be eligible for the additional salary.

Uses of Performance Standards

Performance Budgets and Cost Accounting. These two subjects are of increasing interest to municipal administrators. While the subjects are not new, they are

discussed and written about more frequently today than at any time previously. And each year sees an increasing number of cities making use of one or both.

The relationship of both performance budgets and cost accounting to performance standards stems from the fact that all three direct attention to units of work accomplished. The performance budget relates expenditure to work programs and is concerned with measuring the man hours per work unit in each program. By using the effort expended to perform one unit of work as a standard, a stable basis exists for comparison with past performance and for forecasting future personnel requirements in relation to estimated work loads. In essence, performance budgets apply quantity standards to groups of employees who as whole represent a work program, much in the same way as quantity performance standards are applied to individual employee output.

While performance standards may have extra value in preparing performance budgets, they should be useful in preparing any type of personnel budget. As far as performance standards contain quantity standards they can assist in making better estimates of the number of employees needed because they permit comparison of quantitative parts of the performance standards against present and anticipated work loads.

Cost accounting has the objective of gathering, recording, and reporting all the elements of cost incurred to carry on an activity or to complete a measurable unit of work in connection with a specific job. Although municipal governments have used cost accounting systems chiefly in connection with public works operations, such systems are likely to be more realistic for the administrator who has developed performance standards because the work units priced by the system are apt to be units of work produced by the individual or the crew. In addition, cost accounting requires continuing records of units of work produced. Performance standards may require similar records.

Tie-in With Other Management Techniques

When an administrator has reason to make a complete management review of any given operation or activity, logical consideration can be given to employing performance standards as one means of improving the effectiveness of the operation under study. If a study indicates the need for organizational changes, clarification of lines of responsibility, forms and procedural improvements, changes in work methods, or more use of machines, the need for performance standards may also become apparent. Performance standards are, after all, but a management technique.

A 100-page report entitled "Survey of Building Inspection Services, City of Milwaukee 1949" points up how performance standards can evolve out of an all-inclusive management study. The study covered all aspects of building inspection services from departmental organization to intergovernmental relations. The changes recommended in the report fell in 10 broad categories, one of which was work measurement and standards. Performance standards were specifically suggested as one answer to the problem of improving inspection services.

Induction of New Employees. New Employees - old ones too for that matter - must know the answers to two questions if they are to work effectively towards group goals:

What are my duties?

How well am I expected to perform these duties?

Performance standards can do much towards giving the employees the answers and can assist the supervisor in breaking in the new worker and appraising his work during the probationary period. With performance standards available the new employee knows from the beginning just what is expected of him.

Performance Review. A common criticism of the periodic employee merit or performance ratings required in many cities is that the ratings have a tendency to become subjective rather than objective. And while the "perfect" merit rating system has yet to be devised, performance standards can provide the supervisor with information that will at least tend to make his ratings more objective. Employee performance can be measured against written standards rather than the often hazy standards that only exist in the supervisors mind. Employees, in turn, are more apt to accept and understand their ratings if they know that, to a degree, they are based on fixed standards.

Service ratings can be tied in even better if they are named and used as "performance reviews." The performance review is a conference between the employee and his supervisor to discuss how the employee is doing his job and to offer advice on how he can do better. The employee does not pass or fail since he is not rated on points, percentages, or other bases. The supervisor instead uses a simple one-page form with space to write in comments on each job factor. The performance review should be based largely on the performance standard for the position to discuss amount of work produced, quality of work, and other performance factors.

The potential benefits of the performance review include (1) greater output and quality from some (not necessarily all) employees, (2) better working relationships between employee and supervisor, and (3) more effective supervision. Formalized performance reviews and performance standards are ways of improving employee effectiveness. One city that has recently installed an employee performance reporting system of this type is Beverly Hills, Calif., and it is described in a brief manual issued by the city's civil service commission, January, 1955, entitled "Performance Reports; An Information Manual for Supervisors."

Training. Performance standards can aid the supervisor in determining the training needs of his employees. If standards for a particular activity are available and are not being met, and the supervisor knows the standards are reasonable, training may be the answer. In addition by having the specific tasks in various positions broken down and spelled out, it may assist in developing the content of any training course.

Employee Utilization. All employees in a department or crew do not perform all of the tasks assigned them with the same degree of competency. Some may be strong on one phase of the job and weak on another. Performance standards can assist the supervisor in spotting those strengths and weaknesses and can provide information which will help in making specific job assignments and reassignments.

Job Satisfaction. Work attitudes can be influenced by performance standards. The standards will let the employee know when he has done a competent or outstanding job, and he will get real satisfaction from this. Surveys have shown that the feeling of accomplishment ranks high on the list of factors that employees look for in a job. There is no greater morale builder -- not even salary considerations -- than the realization by an employee that he has done what was expected and has done it well.

Employee Relations. When supervisor and employee have reached a mutual understanding of what is expected of each other in the work situation, there should be

an improvement in their relationship. Performance standards can open the way for that mutual understanding. Standards can limit opportunities for conflict of opinion, decrease the chances of error, and give assurance that dealings will be fair and impartial. In short, while performance standards will not assure good employee-supervisor relations they will at least provide a foundation on which the relationship can be built.

Limitations on Use of Performance Standards

To be practical it should be recognized that performance standards have limitations and pose problems. Even though it has been said that written standards can be prepared for all jobs it is difficult to rationalize how quantity standards can be applied with any degree of effectiveness or usefulness to the more important tasks of many city jobs.

The city manager's performance, for example, can hardly be judged by the number of telephone calls he receives, the number of civic groups he addresses, the number of meetings he attends, or the number of letters he answers, even though much of his working time is spent on such things. While the job of a police officer includes issuing traffic citations, there are few police chiefs who would be willing to accept the number of citations issued as the leading criterion of satisfactory performance.

Human nature being what it is, emphasis is apt to be put on quantitative measure for the simple reason that it is easier to keep track of "how many" than it is to keep track of "how well." City governments in particular must be careful not to put undue emphasis on quantity. Cities are in business to supply services more than they are to provide finished products that are susceptible to precise measurement. A fire inspector may make more than a satisfactory number of inspections, but what is the net result if he misses several serious hazards, one of which turns out to be the cause of a serious fire loss?

Any tendency to over emphasize performance standards -- especially quantitative standards -- may lead to neglect of other management tools. Supervisors should be concerned with more than standards; they should be devoting time to improving work methods, making procedural and organizational changes, and exploring the possible use of new equipment, all of which may ultimately lead to the revision of performance standards. It is also true that emphasis can be placed on standards to such an extent and in such a way as to have a negative effect on employee morale and work attitudes.

Conclusion

In recent years units of government have been paying increased attention to reliable and informative measures of work performed. In doing so they are following the lead of private industry where such things as time studies, cost accounting and incentive wage systems, all of which relate to measures of job performance, have long been used.

Performance standards and the measures they focus attention on are tools, not ends in themselves. No matter how carefully developed or skillfully used, standards do not constitute a cure-all for the ills of city management. At best they are but one of many desirable and useful management techniques that may be used alone or in conjunction with other techniques to supply the municipal administrator with some of the information and answers he needs if he is to do a complete job.

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Other sources of information on the subject covered by this MIS Report include:

1. Job Performance Standards: A Guide for Supervisors. State of California Personnel Management Series, Report No. 2, Training Division, State Personnel Board, Sacramento. (Revised January, 1951).
2. Performance Reports: A Manual for Conference Leaders. State of California Personnel Management Series, Report No. 3. Training Division, State Personnel Board, Sacramento. 1951. 23pp.
3. Improving Work Performance: A Guide for Supervisors. Office of Personnel Administration, United States Department of Labor, Washington. 1951. 31pp.
4. Staff Development: The Supervisor's Job. By Division of Personnel Management, U. S. Department of Health, Education, and Welfare. Government Printing Office, Washington, D. C. 1954. 40pp. 20 cents. Training Manual No. 6.
5. Seamster, Glenn A., "Personnel Office Staffing Controls," Personnel Administration, November, 1954, pp. 30-37. Society for Personnel Administration, 4501 Massachusetts Avenue, N.W., Washington, D. C. \$1.
6. Morris, Theodore P., Instructor's Manual for Management Development: Complete Lesson Plans for Conference Discussions. Personnel Department, City Hall, Pasadena, California. August, 1954. 203pp. \$3.50.
7. Wentz, John B. and staff, Performance Reports: An Information Manual for Supervisors. Administrative Officer, City Hall, Beverly Hills, California. 1955. 6pp. and forms.